

AR49

514-



St. Lawrence Columbian and Metals Corporation

(NO PERSONAL LIABILITY)

To the Shareholders:

We take pleasure in sending you the financial results and production statistics for the second quarter and the first half of fiscal year 1970 together with the figures for the comparable periods of fiscal year 1969.

The net profit for the second quarter shows a substantial improvement over results of the first quarter. Results show a 30% increase in the value of production and a 10% decrease in the cost per pound, a higher tonnage milled (average per month of 62,800 tons compared to 54,100 tons) and an increase in the average price received.

	<u>Second Quarter</u>		<u>First Half</u>	
	January 1 — March 31		October 1 — March 31	
	1970	1969	1969/70	1968/69
Tons milled	188,473	111,835	350,762	207,809
Lbs. Cb_2O_5 Produced	1,358,186	694,003	2,461,000	1,360,429
Value of Production	\$1,504,602	\$690,733	\$2,650,794	\$1,339,613
Cost of Production	836,484	571,186	1,682,701	1,097,366
Administrative, selling and financial expenses	80,581	45,821	129,778	95,118
Operating profit	\$ 587,537	\$ 73,726	\$ 838,315	\$ 147,129
Depreciation	149,469	65,554	263,071	130,174
Mining taxes	41,119	—	41,119	—
Net profit	\$ 396,949	\$ 8,172	\$ 534,125	\$ 16,955
Per share	13¢	1/4¢	17½¢	½¢

It is expected the favourable factors of tonnage and price will continue and we expect to exceed in fiscal 1970 the 4.5 million pounds of columbium pentoxide production forecast in our annual report.

The company is negotiating with major American and Canadian corporations for general participation undertakings with a number of our subsidiaries. These negotiations are directed towards agreements in which your company's subsidiaries will share, with the participating companies, in joint investment of both technical expertise and dollars. The aim is to develop the subsidiaries' properties for our mutual benefit.

The directors hope that stockholders will share our satisfaction in these results.

On Behalf of the Board,

J. J. Gourd,
President

May 4, 1970

